GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2561
ANSWERED ON:18.03.2005
IT RETURN SCAM
Jha Shri Raghunath;Kamat Shri Gurudas;Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

(a) whether some Income-tax/bank officials have been found involved in income-tax refund scam unearthed recently by Police;

(b) if so,the details thereof and the quantum of money involved in the scam; and

(c) the measures taken to ensure non-repetition of the scam in future?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMAN1CKAM):

(a) As the Delhi Police is inquiring into the case, no specific comments can be offered as to the involvement of Income-Tax/bank officials.

(b) Preliminary inquiries indicate that bogus refunds have been issued in cases where the assesses are non existent and the tax payment certificates and challans appear to b e fabricated. Secondly, the returns have reached wrong persons and wrong bank accounts. However, the matter is under investigation by the Economic Offences Wing of the Delhi Police. The role of the Income tax/bank officials involved in the scam is also being investigated by them. The quantum of money involved in the scam is also presently under investigation by the Delhi Police.

(c) Steps are being taken oF prevent fraudulent payment of refund.